

SIKKIM



GOVERNMENT

GAZETTE

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**GOVERNMENT OF SIKKIM
COMMERCE AND INDUSTRIES DEPARTMENT
GANGTOK**

No. 4/C&I/2019-20

Dated: 27/08/2019

NOTIFICATION

In supersession of Notification No. 8/SGO/231/DI/07-08/136 dated 01/06/2011 and in exercise of the powers conferred by Section 6K of the Sikkim Industrial Promotion and Incentive Act, 2003 (No. 11 of 2003), the State Government hereby makes the following rules regulating allotment of land on lease to Industrial Units, namely :

1. (1). These rules may be called the Sikkim Allotment of land on lease to Industrial Units Rules, 2019.

(2). They shall come into force with immediate effect.
2. The developed land in the Growth Centre and other land will be allotted to the Industrial Units subject to the following conditions :
 - a) Land will be allotted to the Industrial Units who have signed a Memorandum of Understanding with Commerce & Industries Department, Government of Sikkim.
 - b) Land will be allotted to the Industrial Units who are duly registered under the various laws formulated by Government of India and Government of Sikkim.
 - c) The allotment of land to the Industrial Units shall be on lease basis for a period of 33 (thirty three) years which is not extendable.
 - d) The lessee will have to make the unit operational within two years after signing of the lease agreement, otherwise leasehold land as and wherein condition with all the structure and other equipments will be taken over by the Government without making any payment thereof.
 - e) The Industrial Units to whom the land is allotted shall use the land only for industrial purposes. After preliminary inquiry, if it is found that the land is being used for non-industrial purposes, then the Lease Deed shall stand terminated with

immediate effect and all the structures and equipments will be taken over by the government without making any payment thereof.

3. The rent per annum would now be calculated using the formula-

$$\frac{\text{Rate of land} \times \text{area of land}}{33 \text{ years (lease period)}}$$

The rate of land would be taken as fixed by LR&DM department vide Notification no.12/LR&DM/GOS/ACO dated 17.5.2018. The rate so arrived at would be compounded @ 10% per annum

4. Any alteration/modification in the structures constructed in the land allotted to industrial units shall be with prior approval/consent of Commerce & Industries Department, Government of Sikkim.
5. The prescribed form of Lease Deed shall be as per Annexure – I. Notwithstanding any provisions of these Rules, the title of land allotted to industrial units shall always vest in Commerce & Industries Department, Government of Sikkim.
6. The Commerce & Industries Department reserves the right to bring alteration/modifications for the development of infrastructure facilities like roads, drainage and other civic amenities in the lands allotted to the Industrial Units under these rules.

BY ORDER AND IN THE NAME OF THE GOVERNOR

**Dr. Thomas Chandy, IFS
Additional Chief Secretary
Commerce & Industries Department**

LEASE DEED AGREEMENT

This lease agreement has been made on the.....day of2019 (two thousand nineteen) between the Governor of Sikkim through the Secretary to the Government of Sikkim in the Department of Commerce & Industries herein called the "LESSOR" (which expression shall unless excluded by or repugnant to the context, mean and include his successors in office and assigns) of the First Part.

AND

M/s.....represented by its Proprietor, Shri.....son of Shri.....resident ofP.O.....hereinafter called the LESSEE (which expression shall, unless excluded by or repugnant to the context, mean and include representative, successors and assigns) of the Second Part.

WHEREAS, the Lessor is the absolute owner of the land situated at.....having area ofcovered by plot no..... khatian no.....;

AND WHEREAS, the Lessee has applied to the Lessor for the allotment of suitable plot of land at.....on lease for setting up an industry for manufacturing of.....

AND WHEREAS, the Lessor has agreed to allot a plot of land measuringsq.ft.) for a period of 33 (thirty three) years with effect from the date of signing of this Deed Agreement at the rate of.....

AND WHEREAS, the lessee has agreed to pay the Lessor annual rent with effect from the date of signing of the Deed Agreement;

AND WHEREAS, the Lessor and the Lessee have agreed that a Lease Deed should be signed between them.

1. Now therefore the Parties hereby agree as under :

- 1). The Lessor do hereby demise to the Lessee the plot of land bearing plot No measuring an area of.....sq.ft. situated at which is fully described in the Schedule for the period of 33(Thirty Three) years from the date of signing of this agreement.
- 2). The Lease period mentioned at sub-clause 1 is not extendable.
- 3). The Lessee shall hand over the plot to the Lessor on the next day of expiry of the lease period.
- 4). The Lessor may serve a reminder notice on the 30th or 32nd and 33rd year of the lease period stating that the term of the lease would expire on.....

In the event of not furnishing such reminder notices by the Lessor the conditions laid down in clause 1(3) shall be final and binding.

2. The Lessee shall make his unit operational within 2(two) years after signing of the Lease agreement, otherwise leasehold land on as is and where is condition with all the structure and other equipment will be taken over by the government without making any compensation payment.
3. The Lessee shall not be allowed to mortgage the Leasehold land.
4. The Lessee shall not carry out any type of mining or quarrying including borewell digging in the leased plot.
5. The Lessee shall not deviate in any manner from the layout plan or alter the size of the industrial plot whether by sub-division, amalgamation or otherwise.
6. The Lessee shall not sell, transfer, assign, mortgage or otherwise part with the possession of the whole or any part of the industrial plot.
7. All arrears of the rent due in respect of the industrial plot hereby demised shall be recoverable in lump sum with 6% interest per annum.
8. The Lessee shall in all respect, comply with and be bound by the building, drainage and other bye-laws of the concerned Municipal or other authority for the time being in force.
9. The Lessee shall not, without prior sanction or permission in writing of the Lessor or other authority empowered by the Lessor, erect any building or make any alteration or addition to such building on the industrial plot.
10. The Lessee shall not, without the written consent of the Lessor, use or permit to be used, the industrial plot or any building thereon for residence or for carrying on any trade or business whatsoever or use the same or permit the same to be used for any purpose other than that of carrying on the manufacturing ofand such other manufacturing process or industry as may be approved from time to time by Lessor or do or suffer to be done therein any act or thing whatsoever which in the opinion of the Lessor may be nuisance, annoyance or disturbance to the Lessor or persons living in the neighbourhood.
11. If it is proved that this lease has been obtained by fraud or misrepresentation of fact, the lease agreement automatically gets cancelled and the Lessor will take over the scheduled premises along with all the structures and machineries without paying any compensation thereof, apart from that, the lessor shall also deserve every right to initiate the case (civil as well as criminal) against the lessee.
12. That during the subsistence of lease agreement if the lessee desires to discontinue its business for which the schedule premises was taken on lease, may terminate the same by giving 30 days notice in writing to the lessor with reasonable cause.
13. After acceptance of termination letter in writing from lessee and after being fully satisfied with the said notice the lessee shall handover the schedule premises to the lessor.
14. The lessor deserves to enjoy the right mentioned in THE SIKKIM DETERMINATION OF LEASE ACT 2014.

15. The Lessee shall hereby agree that the burden of the covenants may run with the industrial plot and may bind any permitted assigned thereof and hereby covenants with the Lessor as follows:-
1. That he shall during the term of lease hereby granted, pay the annual rent by crediting to the Government revenue under receipt head 0852- Industries
 2. That he shall with prior written permission of the Lessor erect upon the industrial plot and at all time during the term of the Lease maintain thereon a good substantial building equipped with the necessary machinery for the industry and such staff as may be permitted in writing by the Lessor for the purpose of the industry according to the by-laws, rules and regulations framed by the local authorities having jurisdiction in the areas in which the industrial plot, is situated or in accordance with any direction of an officer appointed by the Lessor on his behalf, in quadruplicate and shall not start the work of construction unless and until the approval of the said officer has been obtained in writing. The Lessee may, after the building has been completed in accordance with the approved plans, section, elevations and specifications, make minor alteration and/or addition to the building/buildings; provided that the said alteration and/or addition do not contravene any bye-laws, rules or regulations of local authorities and with the prior permission of the Lessor.
 3. That he shall perform, observe and comply with the obligations and requirements in respect of the industrial plot and building thereon and business carried therein, imposed by any statute, regulation or bye-laws of a competent authority and also the lawful directions of any public or local authority.
 4. That he shall not assign or under-let or otherwise part in any manner whatsoever with industrial land or any construction erected thereon or any of the industrial plot or of the said construction.
 5. That the Lessor and all persons acting under his orders shall be at liberty at all reasonable times during the term of this Lease to enter upon the industrial plot or any buildings that may be erected thereon for any purpose connected with the Lease.
 6. That the cost of execution and registration of the Lease Deed shall be borne by the Lessee.
 7. That any sum of money due to or claimable by the Lessor in respect of the land hereby demised shall be recoverable by the Lessor in a lump sum amount with interest @ 6% p.a. for the period of delay.
 8. That in case any portion of the demised land is not used by the Lessee for the purpose of manufacturing..... then, notwithstanding any other covenant hereinbefore or hereinafter contained, the Lessor shall have the right to resume that portion of the land after giving 3(three) month notice to the Lessee, provided that the Lessor shall not exercise the option until after the expiry of five years from the date of the commencement of production from the industry in accordance with the conditions of the licence granted and in accordance with the approval by the Government of Sikkim or any other competent authority.

16. All notices, orders, directions, consents or approvals to be given under this Lease shall be in writing and shall be signed by such officer as may be authorized by the Lessor and shall be delivered or sent by the post to their office or place of business of the Lessee.
17. The State Government reserved the right to rescind/cancel/terminate the Lease Agreement in the public interest at any time during the subsistence of the lease period.
18. That in the event of any dispute or difference arising between the parties during the terms of the lease agreement as to the meaning or condition stipulated in the lease deed document, either party can file any case before appropriate court of law for their redressal and remedies within the jurisdiction of State of Sikkim only or under the provision of section 89 of Civil Procedure Code 1908 for efficacious remedies having appropriate jurisdiction.

SCHEDULE

All that piece and parcel of land comprising of plot no situated..... and measuring..... and bounded by :

ON THE SOUTH

ON THE NORTH BY

ON THE WEST BY

ON THE EAST

IN WITNESS WHEREOF

Both the parties have put their respective signatures and seals hereunder on this day, month and year in the presence of the following witnesses.

**Additional Chief Secretary
Commerce & Industries Department
For and on behalf of the Governor of Sikkim
LESSOR**

WITNESS :

(Name & Address)

M/s.....

WITNESS

Represented by its Proprietor
LESSEE
(Name & address)

(Name & Address)